

## Lyme Community Power - FAQs

### 1. What is “Community Choice Aggregation” or “Community Power”?

Community choice aggregation (CCA), also known as “municipal aggregation” or “community power”, are programs that allow local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from their existing utility provider. CCAs are an attractive option for communities that want more local control over their electricity sources, more clean, renewable power than is offered by the default utility and/or lower electricity prices. By aggregating demand across an entire community, cities and towns gain leverage to negotiate better rates with competitive suppliers and can have access to cleaner, more renewable power sources.

“Community Power”, which in New Hampshire is authorized by RSA 53-E, democratizes energy purchasing by empowering towns, cities and counties to choose where their electricity comes from and how it is generated on behalf of their residents and businesses. This enables electricity customers to choose sources of electricity that differ from the standard retail or “default” mix of power offered by the incumbent electric utilities in NH, which include Liberty, Eversource, Unitil and the NH Electric Co-op.

Across the U.S., different states determine the percentage of retail or default power offered by the incumbent utilities that must be derived from renewable sources. In NH, that percentage (referred to as the Renewable Portfolio Standard or RPS) is very low at 23.4%. In addition, there are efforts currently underway in the NH Legislature to further reduce the State’s RPS. Lyme wants to push beyond this very low RPS offered in the standard incumbent utility default power mix.

In many states across the country, municipalities and counties have launched regional Community Power programs to take control of their combined electricity purchases, both to reduce the cost to consumers and to push for production of more renewable energy as a percentage of the total electricity produced in the U.S. Increased demand for clean, renewable power fosters investment in renewable energy producers by insuring a sizable and sustainable customer base.

### 2. Why must Lyme adopt an Electric Aggregation Plan?

Under RSA 53-E, the Community power statute, in order to launch a municipal electric aggregation a community must first appoint an Electric Aggregation Committee (EAC). That EAC, which the Lyme Select Board officially appointed in December 2022, is

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then charged with developing an Electric Aggregation Plan (EAP) which must include components that are specifically outlined in the statute. Once that EAP has been developed, it must be adopted by the local legislative body in each community which, in Lyme, is Town Meeting. That is why the Lyme Community Power Electric Aggregation Plan is proposed to be included on the Warrant for Lyme's March 2024 Town Meeting.

The Lyme Select Board approved the EAP on November 30, 2023.

Given how complex and technical a community EAP must be to comply with RSA 53-E, Lyme's Electric Aggregation Committee has prepared these Frequently Asked Questions to provide background for interested residents. We will also be holding one or more public informational meetings in January and February to enable residents to familiarize themselves with this proposal.

### 3. What is the Community Power Coalition of NH?

The Community Power Coalition of New Hampshire is a non-profit Joint Powers Agency governed "by communities, for communities", that will empower communities and counties across New Hampshire to:

- Streamline the process for authorizing a Community Power program in each community and county.
- Share services and staff support across member communities and counties.
- Participate in joint power solicitations and local project development opportunities such as community solar, large-scale battery installation, robust energy efficiency programs, electric charging infrastructure, etc.
- Share knowledge and collaborate regionally on clean energy and resilient infrastructure development.
- Speak with one voice at the NH Legislature and Public Utilities Commission on public advocacy issues related to energy and Community Power.

CPCNH is guided by several core values, including:

- Embody an inspiring vision for New Hampshire's energy future.
- Support communities to reduce energy costs and pursue economic vitality by harnessing the power of competitive markets and innovation.
- Support communities to implement successful energy and climate policies and to promote the transition to a carbon neutral energy system.
- Balance the interests of member communities who are diverse in demographics, geography and their energy goals.
- Use shared expertise, leadership and skills to educate, empower and build the capacities of member communities and counties.
- Help communities demystify the power sector to help them make informed decisions.
- Facilitate collaboration and teamwork by championing diversity, equity and inclusion of people and communities of all kinds.

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The Coalition's scale and structure as a Joint Powers Agency is what allows it to provide Members with continuous, expert management of a diversified portfolio of short- to long-term energy contracts negotiated with multiple competing suppliers. This approach is more "hands on" and flexible in terms of risk management compared to Community Power programs in most other states, where a municipality will typically hire a broker on an individual basis, contract with a single electricity supplier at a fixed-price for a 1-to-3-year term, and hope that the program results in cost savings for customers on average (compared to how utility default service rates change over the length of contract).

### 4. Why has Lyme Joined the Community Power Coalition of NH?

Joining CPCNH is a natural progression in the work the Town has done around energy efficiency and renewable power over the past 14 years.

Early steps include:

- 2009: a 13kW-AC PV system is installed at the Lyme School.
- 2014: Lyme teams with Vital Communities for the "Solarize Lyme" campaign that results in 51 homes in town installing solar PV arrays on their buildings.
- 2016: The Energy Committee installs LED lights at the Town garage and offices.
- 2017: an 18kW-AC PV system is installed at the Town Offices.
- 2018: Lyme joins Orford, Piermont and Vital Communities in "Weatherize Lyme" campaign encouraging residents to improve the energy efficiency of homes and businesses by connecting residents and business owners with the technical expertise and state and federal funding programs available to incentivize these transitions.

### Warrant Article 22

In March 2020, Lyme Town Meeting votes to commit to a goal of 100% reliance on clean, renewable sources of electricity by 2030 and clean, renewable sources for all other energy needs, including for heating and transportation, by 2050. The impetus for this goal is to reduce energy costs to the community and to keep energy dollars in the local economy; to reduce the risks to the community of escalation and volatility in energy costs; and to address the threat of global climate change. The intent of this article is to influence policy at the local level in a fiscally responsible manner that will support and encourage individual action to shift towards 100% clean, renewable energy. This article is recommended by the Energy Committee, 7-0; recommended by the Select Board by a vote of 3-0.

A logical next step in achieving these goals was to pursue municipal aggregation of electricity purchases, as authorized by RSA 53-E, to enable Lyme retail electricity customers (residential and small commercial) to purchase electricity generated from renewable sources rather than relegating them to an Eversource or NH Electric Co-op default power mix which, based on the current NH RPS, is less than 24% renewable.

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How does Lyme benefit from Joining the Community Power Coalition of NH?

- The launch of the Community Power Coalition of NH and our accompanying local electricity aggregation, Lyme Community Power, will enable the Town to consolidate and increase our community-wide buying power and contract with CPCNH to pool the community's retail electricity purchases with those of other member communities. This consolidation will result in lower electricity prices for consumers.
- By pooling electricity purchases, CPCNH and Lyme Community Power as a participating member, will be able to bid a 100% green power product, as well as an electricity mix that is significantly greener than the current incumbent utility default service.
- Purchasing in large quantity and demanding a much larger percentage of green power in that mix results in substantial price reductions for all participating customers and enables participating communities to shift the electricity generation landscape in New England to offshore wind, large scale solar and geothermal. Given that New England trails behind other parts of the U.S. in terms of solar, wind and geothermal electricity production, this is our chance to make our mark in our region as supporters of green power.

5. Will my current electricity provider in Lyme (Eversource, NH Electric Co-op) continue to deliver my electricity?

Yes, your current incumbent electric utility will continue to own the transmission and distribution system including all electricity substations, power lines, utility poles, transformers, the electricity feed to your home and your meter. NH is a deregulated state which means that the incumbent electric utility that provides your service owns all the transmission and distribution equipment, maintains these systems and bills you for the electricity you use. The incumbent utilities purchase the electricity they supply from independent electricity generators, bidding their electricity business on the open market on a periodic basis.

6. What role will Lyme Community Power and CPCNH play in providing my electricity?

- Lyme Community Power will serve as the local aggregator for electricity purchases for all participating retail (residential and small commercial) customers who do not choose to opt-out of participating in the combined electricity purchase.
- Lyme Community Power will then contract with CPCNH to go out to bid for electricity supply for all participating Lyme customers along with the customers from other participating communities that adopt similar Electricity Aggregation Plans. CPCNH will package the bid for electricity, receive and review all bids, select the electricity providers and then notify all customers participating in each community aggregation of the price secured for electricity as well as the range of electricity options available.
- Customers will have a fixed period of time to opt out of the purchase if they would prefer to continue purchasing their incumbent utility's default power. For Lyme Community Power, CPCNH will provide usage data to their utility so they receive a

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single bill representing all electricity charges.

### 7. How can I sign up to participate in Lyme Community Power?

- Prior to launch of a Community Power program, all eligible customers are mailed notifications and provided the opportunity to opt-out or opt-in to the program, depending on whether they currently take service from their incumbent default service provider or a Competitive Electric Power Supplier.
- Customers currently on utility-provided default service will be notified, provided the opportunity to decline participation, and transferred to Lyme Community Power if they do not "opt-out". These customer notifications will include the initial fixed rate for the aggregation program's default service compared with the utility default service rate and will be mailed to customers at least 30 days in advance of program launch, providing instructions for customers to decline participation (for example, by return postcard, calling a phone number or using a web portal).
- Customers who previously chose to take service from a Competitive Electric Power Supplier, i.e. Direct Energy, rather than their incumbent electric utility will be notified and may request to "opt-in" to the Lyme Community Power program.
- Any new customers that move into the municipality in future will automatically receive default service from the Community Power program and will be notified by mail.

### 8. What if I change my mind about participating? Can I revert to Eversource or NH Electric Cooperative default power?

- Yes, all customers supplied electricity from Community Power programs are free to switch back to the utility-provided default service, or to take service from a Competitive Electric Power Supplier, by opting-out of the program and switching suppliers in advance of their next billing cycle.

### 9. Will Lyme Community Power provide various electricity options?

- Yes, once Lyme Community Power is launched, the Select Board, in consultation with Lyme Electric Aggregation Committee and CPCNH, will determine a range of options. Common options include a 100% green, a 75% green, 33% green and a basic offering of 23.4% green, which is currently the utilities' default.
- In general, a larger green power mix is more expensive than a power mix derived from fossil-fuel or non-renewable electricity. CPCNH is sensitive to individual customers' abilities to pay. By offering a range of mixes, the goal would be to provide options that work for all customers. The larger the aggregation, the lower the cost per kilowatt hour, no matter the power mix. As the private and public sectors work to add renewable energy generators, over time, the cost of clean, renewable power is likely to come down when compared with fossil-fuel or non-renewable electricity.

10. If I own solar panels that provide electricity for my property, can I still participate in Lyme Community Power?

- Lyme Community Power intends to offer a Net Energy Metering (NEM) generation rate and terms to customers with onsite renewable generation eligible for net metering from the incumbent utilities. Currently, CPCNH has encountered technical challenges administering net metering and group net metering programs. This is partly because the utilities have not yet provided the data on the amount of electricity generated by NEM customers. NEM continues to evolve in New Hampshire in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and incumbent utilities are subject to refinement and change over time.
- How Lyme Community Power calculates, accounts for and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in Lyme.
- Note that any non-supply related components of the NEM tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by the incumbent utilities.

11. Is CPCNH and Lyme Community Power unique or is this sort of aggregation already being done elsewhere in New England or nationally?

- No, CPCNH and Lyme Community Power are not unique. In nine U.S. states, state law enables the establishment of Community Power Aggregations, including California, Illinois, Ohio, Massachusetts, New Jersey, New York, Rhode Island, Virginia and New Hampshire. In the state of California alone, there are more than 4 dozen CPAs functioning, serving millions of California electricity customers.
- While the statute has been in place in NH since 1997, CPCNH is the first effort to establish a multi-community and county power aggregation. Neighboring Massachusetts was the first state in the nation to enable the establishment of CPAs and hosted the first CPA, Cape Light Compact, serving Cape Cod and Martha's Vineyard customers.
- CPCNH is fortunate that there are dozens of great CPA models to emulate around the U.S. and a myriad of available technical advisors and well-established resources to rely on as we move forward.

12. Now that Lyme has signed the Joint Powers Agreement what is the cost of CPCNH membership?

- There is no cost to adopting the Joint Powers Agreement and joining the Coalition as a Member. Note that the Members referred to here are towns and not individuals. Initial Members will participate in the development of the Coalition's cost-sharing agreements in accordance with Article V of the JPA. Municipalities are under no financial obligation until they execute a cost-sharing agreement.

The Joint Powers Agreement provides for three types of costs:

- CPA Member Services Costs: Costs incurred to provide a menu of services which Members may choose from, including a Complete Service Bundle, will be recovered from Members receiving those services. The Complete Service Bundle will include services such as: power supply procurement and management, data and billing, and customer service.
- Direct Project Costs: Members may choose to participate in a specific Project (e.g., community solar project). Costs associated with specific Projects will be recovered from participating Members.
- General and Administrative: Costs of the Corporation that are not allocated to CPA Member Services or Projects will be recovered as General and Administrative Costs. General and Administrative costs are to be based on a pro rata share of each Member's annual electricity sales and are expected to be recovered from the proceeds of those sales.
- Member Services Costs and Direct Project Costs are only incurred by Members actively electing to contract for those specific services. Members will be able to launch Community Power programs at no upfront expense through the Coalition, with implementation and operating costs recovered through program revenues post-launch.
- Municipalities may withdraw from the Coalition prior to entering into a cost-sharing agreement without any financial obligation. Municipalities may thereafter withdraw from the Coalition subject to any continuing obligations pursuant to cost-sharing agreements.

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For further information, please visit the following websites:

Community Power Coalition of NH

<https://www.cpcnh.org/>

Enfield Community Power

<https://www.communitypowernh.gov/enfield>

Lyme Community Power

<https://www.communitypowernh.gov/plainfield>

Hanover Community Power

<https://www.communitypowernh.gov/hanover>